

Frequently Asked Questions in relation to the early termination of  
The Xiaomi Corp. and CNOOC Ltd. affected structured products

## Summary of Key Dates

|   | Xiaomi Corp(1810.HK)<br>Warrants &<br>Inline Warrants | Xiaomi Corp (1810.HK)<br>CBBCs * | CNOOC(883.HK)<br>Warrants  |
|---|---|----------------------------------|----------------------------|
| <b>Last Trading date</b>                                | 2021/3/15   | 2021/3/15                        | 2021/3/9                   |
| <b>Trading suspension date</b>                          | 2021/3/16   | 2021/3/16                        | 2021/3/10                  |
| <b>Early termination date</b>                           | 2021/3/19   | 2021/3/16                        | 2021/3/15                  |
| <b>Valuation date</b>                                   | 2021/3/12, 15, 16,<br>17, 18                          | 2021/3/15                        | 2021/3/8, 9, 10,<br>11, 12 |
| <b>Publication date of early<br/>termination amount</b> | 2021/3/22   | 2021/3/17                        | 2021/3/16                  |
| <b>Settlement date of early<br/>termination amount</b>  | 2021/3/24   | 2021/3/19                        | 2021/3/18                  |

*\*The average of Implied Funding Cost of Xiaomi Corp. CBBCs on 12 and 15 March are also included in the calculation, please refer to the answer below:*

### 1) How is the Warrants/CBBCs Warrants going to be settled if I don't sell the affected structured products before the trading suspension date?

Please see below J.P. Morgan's calculation methodology for each of the affected products.

The settlement price for **Xiaomi Corp. (1810.HK) Warrants** will be based on market factors including:

- Average closing prices on the Valuation Dates (12, 15, 16, 17, 18 March 2021)
- The average of the implied volatility based on the mid-price of J.P. Morgan's bid and ask quotes as at or immediately before market close on 12 and 15 March 2021 respectively

- The time value between the Early Termination Date and the original scheduled Expiry Date

The settlement price for **Xiaomi Corp. (1810.HK) CBBCs** will be based on market factors including:

- the closing price of the underlying share on the Valuation Date (15 March 2021)
- The interest rate, and dividend rate of the underlying index, from the Early Termination Date to the original scheduled Expiry Date;
- The average of the implied Funding Cost with reference to the mid-price of J.P. Morgan's bid and ask quotes as at or immediately before market close on 12 and 15 March 2021 respectively

The settlement price for **Xiaomi Corp. (1810.HK) Inline Warrants** will be based on market factors including:

- Average closing prices on the Valuation Dates (12, 15, 16, 17, 18 March 2021)
- The average of the implied volatility based on the mid-price of J.P. Morgan's bid and ask quotes as at or immediately before market close on 15 March 2021.
- The time value between the Early Termination Date and the original scheduled Expiry Date

The settlement price for **CNOOC (883.HK) Warrants** will be based on market factors including:

- Average closing prices on the Valuation Dates ( 8, 9, 10, 11, 12 March 2021)
- The average of the implied volatility based on the mid-price of J.P. Morgan's bid and the ask quotes as at or immediately before market close on 8 and 9 March 2021 respectively
- The time value between the Early Termination Date and the original scheduled Expiry Date

## 2) Why did J.P. Morgan terminate the Xiaomi Corp. (1810.HK) and CNOOC Ltd. (883.HK) linked structured products?

---

As a result of Executive Order 13959, as amended by Executive Order 13974, issued by the President of the United States (“Executive Order”) and subsequent FAQs, J.P. Morgan has determined that a Change in Law Event has occurred under the terms and condition of the affected structured products. Therefore, we have decided to early terminate the affected structured products on the respective early termination dates (see key dates table above).\*

*\*If you are holding an affected structured product that expires before the early termination date, the affected structured product will expire on its original scheduled expiry date at Cash Settlement Amount per board lot according to the terms and conditions of such product as specified in the relevant launch announcement and supplemental listing document.*

## 3) What if investors are still holding the affected structured products stated in the announcement?

---

The last trading day of affected structured products linked to the CNOOC Ltd. and Xiaomi Corp. is scheduled to be 9 March and 15 March 2021 respectively.

J.P. Morgan continues to quote bid and ask prices in a similar manner as our usual structured products based on the original expiry date for the affected structured products. Investors can sell back their holding of the affected structured products to us on or before the relevant last trading day as mentioned above. J.P. Morgan is providing in good faith, as much time as possible for affected investors to sell their position.

Investors should also exercise particular caution in trading the affected structured products before the trading suspension date as the price may fluctuate significantly. If you have any questions regarding to the bid and ask prices offered by J.P. Morgan, please call our hotline +852 2800 7878.

## 4) How does J.P. Morgan determine the fair settlement price?

---

J.P. Morgan is committed to conducting the early termination arrangement in good faith in order to reduce the impact of termination to investors and the market. We have been

working closely with the relevant regulators on the determination of calculation methodology for the early termination amount.

## 5) Will J.P. Morgan's other structured products be impacted by the U.S. Executive Order?

---

J.P. Morgan continues to monitor the Executive Order and corresponding FAQs, including their potential impact on our product offerings. We will inform investors of any change in a timely manner through our website and via the HKEX.

All related announcements have been published on HKEX website and J.P. Morgan Warrants website. [Click here for related announcements.](#)

Should you have any questions, please call our hotline at +852 2800 7878.

### Important Disclaimer:

These FAQs are provided for your information only and do not supersede any terms and condition of the affected structured products published by J.P. Morgan. These FAQs do not constitute any investment, legal, or tax advice nor will it constitute an invitation or offer to acquire, purchase or subscribe for any of the structured products described in the FAQs.

You are solely responsible for deciding whether any investment product or strategy is appropriate for you based upon your investment goals, financial situation, and tolerance for risk. You must read relevant listing documents, launch announcements and supplement listing documents and subsequent announcements carefully and (where appropriate) seek professional advice before investing in or dealing in the Affected Structured Products. The information contained herein is updated as of the date referenced on the front cover of these FAQs or as otherwise indicated in the particular response. J.P. Morgan does not undertake any obligation to update such information. All content, data, statements, and other information are not warranted as to completeness and are subject to change. Without limiting any of the foregoing and to the fullest extent permitted by applicable law, J.P. Morgan disclaims any responsibility or liability for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses, arising from any reliance on or use of the information contained in these FAQs. The FAQs are proprietary to J.P. Morgan. Any unauthorized use, dissemination, distribution, or copying of the FAQs, in whole or in part, is strictly prohibited.